

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION**31 DECEMBER 2019**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Dec 2019 RM'000	Preceding Year Corresponding Quarter 31 Dec 2018 RM'000	Current Year To Date 31 Dec 2019 RM'000	Preceding Year Corresponding Period 31 Dec 2018 RM'000
1 Revenue	6,254	13,049	33,550	78,150
2 Profit before tax	4,059	6,224	18,313	40,295
3 Profit for the period	3,822	6,167	17,760	39,766
4 Profit attributable to ordinary equity holders of the parent	3,822	6,167	17,760	39,766
5 Earnings per share (sen) :				
-Basic	0.57	0.93	2.66	6.00
-Diluted	0.57	0.92	2.65	5.94
6 Proposed / Declared dividend per share (sen)	0.50	1.25	3.00	4.58 *
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END
		31 Dec 2019 RM		31 Dec 2018 RM
7 Net assets per share attributable to ordinary equity holders of the parent		0.17		0.17

Note: For full text of the above announcement, please access the Bursa Malaysia website at www.bursamalaysia.com

* The weighted average number of ordinary shares for the purpose of the computation of the dividend per share had been adjusted retrospectively to reflect the company's bonus issue and subdivision of share which were completed on 15 November 2018.

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 31 Dec 2019 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2018 RM'000	Current Year To Date (Unaudited) 31 Dec 2019 RM'000	Preceding Year Corresponding Period (Unaudited) 31 Dec 2018 RM'000
Revenue		6,254	13,049	33,550	78,150
Cost of sales		(3,369)	(4,819)	(17,244)	(32,177)
Gross profit		2,885	8,230	16,306	45,973
Other income and expenses	B14	2,030	745	6,283	1,759
Administrative expenses		(1,424)	(1,581)	(4,965)	(6,457)
Share of profit/(loss) in associate		568	(1,170)	689	(980)
Profit before tax	B15	4,059	6,224	18,313	40,295
Taxation	B5	(237)	(57)	(553)	(529)
Profit for the period		3,822	6,167	17,760	39,766
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		3,822	6,167	17,760	39,766

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (Unaudited) 31 Dec 2019 NOTE RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2018 RM'000	Current Year To Date (Unaudited) 31 Dec 2019 RM'000	Preceding Year Corresponding Period (Unaudited) 31 Dec 2018 RM'000
Attributable to :				
Equity holders of the parent	3,822	6,167	17,760	39,766
Non-controlling interest	-	-	-	-
	<u>3,822</u>	<u>6,167</u>	<u>17,760</u>	<u>39,766</u>
Total comprehensive income attributable to :				
Equity holders of the parent	3,822	6,167	17,760	39,766
Non-controlling interest	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings per share ("EPS") attributable to equity holders of the parent :				
Basic EPS (sen)	B13 <u>0.57</u>	<u>0.93</u>	<u>2.66</u>	<u>6.00</u>
Diluted EPS (sen)	B13 <u>0.57</u>	<u>0.92</u>	<u>2.65</u>	<u>5.94</u>

The unaudited condensed consolidated statement of profit or loss and comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	NOTE	(Unaudited) 31 Dec 2019 RM'000	(Audited) 31 Dec 2018 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	17,806	16,124
Prepaid lease payment		2,825	2,889
Investment properties		2,762	2,846
Investment in associate		15,524	15,221
		<u>38,917</u>	<u>37,080</u>
Current assets			
Inventories		3,680	5,758
Trade receivables		8,965	13,591
Other receivables, deposits and prepayments		518	600
Other investments	B8	57,526	62,292
Cash and bank balances		10,441	10,187
		<u>81,130</u>	<u>92,428</u>
TOTAL ASSETS		<u>120,047</u>	<u>129,508</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		43,220	41,168
Treasury shares	A6	(1,043)	(916)
Share options reserve		1,185	1,403
Retained profits		67,391	71,276
Total equity		<u>110,753</u>	<u>112,931</u>
Non-current liabilities			
Deferred tax liabilities		843	639
		<u>843</u>	<u>639</u>
Current liabilities			
Trade payables		825	1,942
Other payables, accruals and provisions		6,678	8,663
Current tax liabilities		31	111
Contract liability		917	5,222
		<u>8,451</u>	<u>15,938</u>
Total liabilities		9,294	16,577
TOTAL EQUITY AND LIABILITIES		<u>120,047</u>	<u>129,508</u>
Net assets per share (RM)		<u>0.17</u>	<u>0.17</u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

ELSOFT RESEARCH BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019

(The figures have not been audited)

	-----Non-distributable -----			Distributable	
	Share capital	Share option reserves	Treasury shares	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2019	41,168	1,403	(916)	71,276	112,931
Total comprehensive income	-	-	-	17,760	17,760
Transaction with owners					
Purchase of treasury shares	-	-	(127)	-	(127)
Share-based payments	-	305	-	-	305
Issue of shares pursuant to ESOS	2,052	(523)	-	-	1,529
Interim dividend paid	-	-	-	(21,645)	(21,645)
	2,052	(218)	(127)	(21,645)	(19,938)
Balance as at 31 December 2019	43,220	1,185	(1,043)	67,391	110,753
Balance as at 1 January 2018	38,452	1,284	(618)	61,909	101,027
Total comprehensive income	-	-	-	39,766	39,766
Transaction with owners					
Purchase of treasury shares	-	-	(298)	-	(298)
Share-based payments	-	808	-	-	808
Issue of shares pursuant to ESOS	2,716	(689)	-	-	2,027
Interim dividend paid	-	-	-	(30,399)	(30,399)
	2,716	119	(298)	(30,399)	(27,862)
Balance as at 31 December 2018	41,168	1,403	(916)	71,276	112,931

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019

	Note	(Unaudited) 31 Dec 2019 RM'000	(Unaudited) 31 Dec 2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		18,313	40,295
Adjustment for:			
Amortisation of prepaid lease payment		64	64
Depreciation of property, plant and equipment		516	480
Depreciation of investment properties		84	83
Dividend income		(1,860)	(1,683)
Gain on disposal of other investments		(80)	(11)
(Gain)/Loss on fair value adjustment of other investments	B8	(1,881)	2,609
(Gain)/Loss on disposal of property, plant and equipment		-	(9)
Interest income		(166)	(558)
Share based payment		305	808
Unrealised loss/(gain) on foreign exchange		255	(667)
Share of (gain)/loss in associate		(689)	980
Impairment loss on RCPS		386	-
Impairment loss on trade receivables		8	-
Impairment loss on other receivables		34	119
Reversal of Impairment loss on other receivables		(30)	(31)
Reversal of Impairment loss on trade receivables		-	(8)
Inventories written off		-	23
Operating profit before working capital changes		<u>15,259</u>	<u>42,494</u>
Decrease/(Increase) in inventories		2,078	(2,416)
Decrease/(Increase) in trade and other receivables		4,484	10,018
(Decrease)/Increase in trade and other payables		(3,138)	(696)
(Decrease)/Increase in contract liability		<u>(4,305)</u>	<u>(1,154)</u>
		14,378	48,246
Tax (paid)/refund		<u>(429)</u>	<u>(254)</u>
Net cash flow from/(used in) operating activities		<u>13,949</u>	<u>47,992</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	A9	(2,198)	(670)
Purchase of other investments	B8	(105,954)	(76,285)
Proceeds from disposal of property, plant and equipment		-	9
Proceeds from disposal of other investment	B8	114,541	54,629
Dividend received from other investments		-	3
Interest received		166	558
Net cash flow from/(used in) investing activities		<u>6,555</u>	<u>(21,756)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019

	(Unaudited) 31 Dec 2019 RM'000	(Unaudited) 31 Dec 2018 RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	A6 (127)	(298)
Issue of shares	1,529	2,027
Interim dividend paid	<u>(21,645)</u>	<u>(30,399)</u>
Net cash flow used in financing activity	<u>(20,243)</u>	<u>(28,670)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	261	(2,434)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	(7)	120
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		
	10,187	12,501
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD		
	<u>10,441</u>	<u>10,187</u>
Represented by :		
Short term funds	-	-
Cash and bank balances	<u>10,441</u>	<u>10,187</u>
	<u>10,441</u>	<u>10,187</u>

Short term funds represents highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
31 DECEMBER 2019**

A EXPLANATORY NOTES PURSUANT TO MFRS 134 - INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018. These explanatory notes attached to the interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

The financial statements of the Group and the Company for the financial year ended 31 December 2018 were prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) in Malaysia.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2018, except for the adoption of the Standards, Amendments and Annual Improvement to Standards effective as of 1 January 2019.

Effective for annual periods commencing on or after 1 January 2019

MFRS 16 *Leases*

IC Interpretation 23 *Uncertainty over Income Tax Treatments*

Amendments to MFRS 9 *Prepayment Features with Negative Compensation*

Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*

Amendments to MFRS 3 *Annual Improvements to MFRSs Standards 2015–2017 Cycle*

Amendments to MFRS11 *Annual Improvements to MFRSs Standards 2015–2017 Cycle*

Amendments to MFRS 112 *Annual Improvements to MFRSs Standards 2015–2017 Cycle*

Amendments to MFRS 123 *Annual Improvements to MFRSs Standards 2015–2017 Cycle*

Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
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A1 Basis of preparation (Continued)

The following Standards and Amendment to Standards have been issued by the MASB but are not yet effective by the Group.

Effective for annual periods commencing on or after 1 January 2020

Amendments to MFRS 3 *Business Combinations - Definition of a Business*

Amendments to MFRS 7 *Financial Instruments: Disclosure*, MFRS 9 *Financial Instruments*

and MFRS 139 *Financial Instruments: Recognition and Measurement - Interest Rate Benchmark Reform*

Amendments to MFRS 101 *Presentation of Financial Statements* and MFRS 108 *Accounting Policies,*

Changes in Accounting Estimates and Errors - Definition of Material

Effective for annual periods commencing on or after 1 January 2021

MFRS 17 *Insurance Contracts*

Issued but not yet effective

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor
and its Associate or Joint Venture*

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
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A2 Audit report of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2018 was not subject to any qualification.

A3 Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal or cyclical changes during the current quarter under review.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter and year ended 31 December 2019.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter and year ended 31 December 2019.

A6 Changes in debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter-to-date under review, except for the following:

Treasury shares

The treasury shares held as at 31 December 2019 were as follows:

	RM'000
Balance as at 1 January 2019	(916)
Add: Purchase of treasury shares	(127)
Less: Resale of treasury shares	-
Balance as at 31 December 2019	<u><u>(1,043)</u></u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
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A7 Dividends paid

No dividend was paid during the current interim period under review.

A8 Segmental information

Operating Segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely research, design and development of test, burn-in and application specific embedded system.

Geographical information

Revenue information based on the geographical location of customers is as follows: -

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	4,778	8,225	23,817	67,022
China	978	4,649	7,889	10,199
Others	498	175	1,844	929
	<u>6,254</u>	<u>13,049</u>	<u>33,550</u>	<u>78,150</u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
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A9 Property, plant and equipment

The valuation of the property, plant and equipment have been brought forward without amendment from the financial statements for the financial year ended 31 December 2018.

Property, plant and equipment ("PPEs") costing approximately RM2,198,000 were acquired during the financial year ended 31 December 2019. Out of the total PPEs costing, RM1,903,000 were spent for installation of 585.42kWh solar system and the solar system are expected to generate 811,978kWh annual solar-generated electricity.

A10 Material events subsequent to the end of the quarter

There were no material events between the end of the reporting quarter and the date of this announcement.

A11 Changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter under review.

A12 Contingent liabilities

During current quarter under review, the directors are of the opinion that the Group has no contingent liabilities which, upon materialisation would have a material impact on the financial position and business of the Group.

A13 Related party transactions

During the current quarter under review, the directors are of the opinion that the Group has no related party transactions which would have a material impact on the financial position and business of the Group.

A14 Capital Commitments

There is no capital commitments in the interim financial statements as at 31 December 2019.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR MAIN MARKET****B1 Review of performance**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter (Unaudited) 31 Dec 2019 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2018 RM'000	Changes (%)	Current Year To Date (Unaudited) 31 Dec 2019 RM'000	Preceding Year Corresponding Period (Unaudited) 31 Dec 2018 RM'000	Changes (%)
Revenue	6,254	13,049	-52%	33,550	78,150	-57%
Cost of sales	(3,369)	(4,819)	-30%	(17,244)	(32,177)	-46%
Gross profit	2,885	8,230	-65%	16,306	45,973	-65%
Other income and expenses	2,030	745	172%	6,283	1,759	257%
Administrative expenses	(1,424)	(1,581)	-10%	(4,965)	(6,457)	-23%
Share of profit/(loss) in associate	568	(1,170)	149%	689	(980)	170%
Profit before tax	4,059	6,224	-35%	18,313	40,295	-55%
Taxation	(237)	(57)	316%	(553)	(529)	5%
Profit for the period	3,822	6,167	-38%	17,760	39,766	-55%

Comparison with the corresponding quarter in the previous year

For the current quarter, the Group registered revenue and profit before tax ("PBT") of approximately RM6.254 million and RM4.059 million respectively. Compared to the preceding year corresponding quarter revenue and PBT of approximately RM13.049 million and RM6.224 million respectively, revenue and PBT have decreased by approximately 52% and 35% respectively.

The lower revenue and PBT recorded was mainly due to lower demand for Automated Test Equipment ("ATE") for current quarter under review. Greater other income were mainly contributed by rental income and fair value gain from other investments. Positive contribution from associate companies was due to the good performance from Leso Corporation Sdn Bhd and also improved performance of Butterfly House (PG) Sdn Bhd.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
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B1 Review of performance (cont'd)

Financial period-to-date against preceding year corresponding financial period

The Group recorded revenue and PBT of approximately RM33.550 million and RM18.313 million respectively for the current year-to-date. Compared to the preceding year corresponding year-to-date revenue of RM78.150 million and PBT of RM40.295 million, revenue and PBT have decreased by approximately 57% and 55% respectively.

The lower revenue and PBT for current year to date as compared to the preceding year corresponding year-to-date was mainly due to lower demand for ATE. Greater other income were mainly contributed by rental income and fair value gain from other investments. Positive contribution from associate companies was due to the good performance from Leso Corporation Sdn Bhd and also improved performance of Butterfly House (PG) Sdn Bhd.

B2 Variation of results against preceding quarter

	Current Year Quarter (Unaudited) 31 Dec 2019 RM'000	Immediate Preceding Quarter (Unaudited) 30 Sept 2019 RM'000	Changes (%)
Revenue	6,254	4,853	29%
Cost of sales	(3,369)	(2,489)	35%
Gross profit	<u>2,885</u>	<u>2,364</u>	22%
Other income and expenses	2,030	1,185	71%
Administrative expenses	(1,424)	(909)	57%
Share of profit/(loss) in associate	<u>568</u>	<u>172</u>	230%
Profit before tax	4,059	2,812	44%
Taxation	<u>(237)</u>	<u>(52)</u>	356%
Profit for the period	<u><u>3,822</u></u>	<u><u>2,760</u></u>	38%

Comparison with the immediate preceding quarter

For the current quarter, the Group registered revenue and PBT of approximately RM6.254 million and RM4.059 million respectively. Compared to the previous quarter revenue and PBT of approximately RM4.853 million and RM2.812 million respectively, revenue and PBT have increased by approximately 29% and 44% respectively.

The improved revenue was mainly contributed from automotive sector for current quarter under review. The greater PBT recorded were contributed by the improved revenue, other income and share of profit in associate. Greater other income were contributed by dividend income, rental income and fair value gain from other investments. Greater share of profit from associate companies was due to the good performance from Leso Corporation Sdn Bhd.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019**B3 Prospects**

The Group experienced weaken demand for Automated Test Equipment ("ATE") for FY2019. The Board and the management expect the situation to remain challenging in view of the global economic slow down. Despite the market uncertainties, the Group will continue to focus on its R&D activities for new product development.

B4 Profit estimate, forecast, projection or internal targets and profit guarantee

The Group did not announce or provide any profit estimate, forecast, projection, internal targets or profit guarantee in any public documents.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	237	57	553	529

For the year ending 31 December 2018, the effective tax rate for the Group is lower than the statutory tax rate due to 100% tax exemption from Pioneer Status of Section 4D, Promotion of Investment Act, 1986 for Elsoft Systems Sdn. Bhd..

B6 Unquoted investments and properties

There were no changes in the unquoted investments and properties of the Group during the current quarter under review.

B7 Corporate proposals

There were no corporate proposals announced but not completed as at the reporting date.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
31 DECEMBER 2019****B8 Other investment**

A summary of the movement of other investments during the period ended 31 December 2019 is as follow:

	RM'000
Other investment	
Balance at 1 January 2019	62,292
Acquisition during the period	105,954
Dividend reinvest	1,860
Less : Disposal during the period	<u>(114,461)</u>
	55,645
Add : Gain on fair value adjustment	<u>1,881</u>
Balance at 31 December 2019	<u><u>57,526</u></u>

B9 Group's borrowings and debt securities

There were no borrowings and debt securities outstanding/issued during the current quarter under review.

B10 Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this report (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B11 Material litigation

The Group is not engaged in any material litigation as at the date of this report (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B12 Dividends

<u>Fourth Interim Single tier (tax exempt) dividend</u>	
For the financial year	31 December 2019
Approved and declared on	26 February 2020
Dividend per share	RM0.005
Payable on	17 April 2020
Entitlement to dividend based on Record of Depositors as at	25 March 2020

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019**B13 Earnings per share**

a. Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by weighted average number of ordinary shares in issue during the period.

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	RM' 000	RM' 000	RM' 000	RM' 000
Profit attributable to ordinary equity holders of the parent	3,822	6,167	17,760	39,766
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	667,097	663,171	667,097	663,171
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	Sen	Sen	Sen	Sen
Basic earnings per share for: Profit for the period	0.57	0.93	2.66	6.00
	<hr/>		<hr/>	

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019**B13 Earnings per share (cont'd)**

b. Diluted

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, i.e share option granted to employees.

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2019 RM '000	31 Dec 2018 RM '000	31 Dec 2019 RM '000	31 Dec 2018 RM '000
Profit attributable to ordinary equity holders of the parent	3,822	6,167	17,760	39,766
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2019 Units (In thousands)	31 Dec 2018 Units (In thousands)	31 Dec 2019 Units (In thousands)	31 Dec 2018 Units (In thousands)
Weighted average number of ordinary shares in issue	667,097	663,171	667,097	663,171
Effects of dilution :				
Share option	3,144	6,472	3,144	6,472
	670,241	669,643	670,241	669,643
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2019 Sen	31 Dec 2018 Sen	31 Dec 2019 Sen	31 Dec 2018 Sen
Diluted earnings per share for: Profit for the period	0.57	0.92	2.65	5.94

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019**B14 Other income and expenses**

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	RM '000	RM '000	RM '000	RM '000
Other income/(expenses):				
Dividend income	483	797	1,860	1,683
Interest income	23	325	166	558
Rental received	721	457	2,347	1,966
Gain/(loss) on disposal of property, plant and equipment	-	-	-	9
Gain/(loss) on disposal of other investment	42	-	80	11
Gain/(loss) on fair value adjustment other investment	961	(848)	1,881	(2,609)
Gain/(loss) on disposal of short term investment	(5)	-	(12)	3
Unrealised gain/(loss) on foreign exchange	(273)	(8)	(255)	667
Realised gain/(loss) on foreign exchange	78	22	216	(529)
Total other income/(expenses)	<u>2,030</u>	<u>745</u>	<u>6,283</u>	<u>1,759</u>

B15 Profit before tax

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived after charging:				
Audit Fee	7	13	59	59
Amortisation of prepaid leasehold land	16	16	64	64
Depreciation				
- property, plant and equipment	80	141	516	480
- Investment property	21	20	84	83
Impairment loss on RCPS	386	-	386	-
Impairment loss on trade receivables	8	-	8	-
Impairment loss on other receivables	34	119	34	119
Reversal of Impairment loss on				
- other receivables	(30)	(31)	(30)	(31)
- trade receivables	-	-	-	(8)
Inventories written off	-	23	-	23
Share based payment	26	156	305	808

B16 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 February 2020.

By Order of the Board

Tan Cheik Eaik

Director